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The **M**anaged **R**isk **M**edical **I**nsurance **B**oard

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CA MRMIB Announces Premiums Reduced Average 18 Percent For Pre-Existing Condition Insurance Plan Members

Savings Will Provide Pocket Book Relief to Subscribers

Tuesday, August 2, 2011 – The California Managed Risk Medical Insurance Board, which operates PCIP in California, requested and received federal approval to lower premiums starting this week, giving subscriber's pocket book relief of nearly 18 percent on average. The premium reductions range from 8.2 percent to 24.3 percent, depending on subscriber age and geographic region, and were made possible by new guidelines issued in May by the U.S. Department of Health and Human Services.

"We believed premium cost was a barrier to access for some Californians. Now the barrier has been eased," said Cliff Allenby, the Board's chairman. "We want to make sure that everyone who qualifies for this program has access to its benefits and is not deterred by price."

"The Pre-Existing Condition Insurance Program provides vital health care coverage for Californians who cannot afford their health insurance through no fault of their own," said California Health and Human Services Secretary Diana Dooley. "The reduction will offer real savings for access to health care that will benefit real people."

The new monthly premiums began August 01, 2011. For a PCIP subscriber aged 40 years old living in Los Angeles, the current monthly premium of \$339 would fall to \$269.

California's PCIP opened for business on October 25, 2010, and since has reached enrollment of 3,532 (as of July 27, 2011), making it one of the largest PCIPs in the United States. PCIP was one of the first major provisions of national health care reform to be implemented across the country. The program provides health coverage for persons with pre-existing conditions who have been rejected for individual coverage by commercial carriers or offered coverage at unaffordable prices. It is a bridge until 2014, after which insurance carriers no longer may decline or "rate up" coverage for pre-existing conditions.

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The new premiums take effect October 1, 2011, but subscribers who were enrolled in August or September will receive the benefit of the premium reductions through credits against future invoices or refunds, depending on whether they are still enrolled in October.

PCIP in California covers both inpatient and outpatient care, including doctor visits, preventive care services, prescription drugs, mental health services, lab and x-rays, hospital services, pregnancy care, durable medical equipment and more. The plan's annual medical deductible is \$1,500. There is also an annual \$500 brand name prescription drug deductible. Co-payments are charged for services and prescriptions, except for preventive care, up to a maximum of \$2,500 annually for in-network services.

The Managed Risk Medical Insurance Board is an independent state board within the California Health and Human Services Agency charged with researching and assessing the needs of people without adequate health coverage, and promoting ways to assure adequate health care services. In addition to operating PCIP, the Board administers the Healthy Families Program, Access for Infants and Mothers and the Major Risk Medical Insurance Program.

For more information about the Pre-Existing Condition Insurance Plan, including premium pricing and application form, please visit www.pcip.ca.gov.

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